



BUDGET COMMITTEE

Judd Gregg, Ranking Member
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Sen. Gregg: If Administration Wants to Stem the Growth of Debt, It Should Follow TARP Law

Senator Judd Gregg (R-NH), ranking member of the Senate Budget Committee, today issued further comment about the Administration's reported plans to include in the FY 2011 budget proposal a three-year freeze in certain areas of discretionary spending. Senator Gregg was one of the lead congressional negotiators on legislation that created the Troubled Asset Relief Program (TARP) in October 2008, and authored language in that law that required repaid funds be applied to reducing the debt.

“While the President’s plan to freeze what amounts to a small portion of discretionary spending is certainly a first step in the right direction, its effect on the growth of debt pales in comparison with the impact of simply following TARP law – ending the TARP authority immediately and using repaid TARP funds to pay down the debt. TARP served its intended purpose and is no longer needed, so its authority should not have been extended until October 2010, and it certainly should not be used for other purposes. In fact, under the TARP law, unused TARP authority cannot be used as a so-called “offset” for new spending bills.

“If the Administration has a genuine desire to address the nation’s crippling debt, it should not stop at freezing some discretionary spending. It should also turn off the TARP spigot for good, and reimburse taxpayers by using repaid TARP dollars to reduce our staggering debt burden, not expand the government further and drive the nation deeper into debt. Putting TARP dollars out of Congress’ reach will benefit taxpayers much more than just a discretionary spending freeze.”